



# **Boosting College Opportunities: Information for Commencement Addresses 2006**

**UNITED STATES HOUSE OF REPRESENTATIVES  
THE HONORABLE GEORGE MILLER  
SENIOR DEMOCRATIC MEMBER  
COMMITTEE ON EDUCATION AND THE WORKFORCE**

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**April 2006**

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April 21, 2006

Dear Colleague:

In the upcoming months, millions of students will graduate from high schools and colleges across the nation, taking an important first step in creating opportunities towards a better life. Many graduates will pursue advanced degrees, enter the workforce, or aid their country through service in the military or national service programs such as AmeriCorps.

Unfortunately, the class of 2006 will graduate just after Congress cut \$12 billion from the federal student aid programs—making it even harder for these students and their families to pay for college. Further, 23 percent of public college graduates have too much debt to manageably repay with a starting teacher's salary.

Democrats oppose this raid on student aid and continue to work to: reverse the cuts, make college more affordable, and boost higher education opportunities.

Many of us will be speaking at high school and college commencement ceremonies in the upcoming weeks. The enclosed talking points provide information that I hope you will find useful in preparing your remarks.

Sincerely,

**GEORGE MILLER**

Senior Democratic Member  
Committee on Education & the Workforce

## Executive Summary

Despite the critical need to boost affordable college opportunities for all Americans, Republicans continue to put college even farther out of reach for millions of students and families. Closing the current college participation gap between minority and white students could add \$250 billion to the national gross domestic product and \$85 billion in tax revenue to strengthen our economy and improve the quality of life for all Americans.

By 2020, the U.S. is expected to experience a shortage of up to 12 million college-educated workers, yet this year Republicans shrunk affordable college opportunities by:

- **Cutting \$12 billion out of the federal student aid programs—the single largest cut ever—in order to help finance tax breaks for the wealthiest Americans.** Most of the savings generated from the cuts to the student aid programs were achieved by continuing the practice of forcing student and parent borrowers in many cases to pay excessive interest rates and by raising interest rates—to a fixed rate of 8.5%—on parents who borrow to pay for college.
- **Failing to make good on their promise to provide a \$5,100 maximum Pell grant for the 6<sup>th</sup> year in a row.**

In addition, President Bush's 2007 budget:

- **Denies more than 460,000 students low cost loans this year** by cutting \$664 million from the Perkins College Loan Program.
- **Risks \$1 billion of non-federal student aid** by eliminating matching funds for the state college scholarships program (or LEAP).
- **Jeopardizes college opportunities for more than 1 million disadvantaged and minority students** by eliminating the GEAR UP, TRIO Upward Bound and TRIO Talent Search programs. As a result of these cuts, about 1.3 million students—70 percent of whom are minorities—will lose the critical academic support that they need to get into and graduate from college.

### **Democratic Plan Would Make College More Affordable**

In contrast, Democrats have offered legislation that would significantly boost affordable college opportunities. The Reverse the Raid on Student Aid Act (H.R. 5150) would help make college more affordable by:

- Cutting interest rates in half for the borrowers in most need—on subsidized student loans—from a fixed rate of 6.8% to a fixed rate of 3.4%; and,
- Cutting rates on parent loans for undergraduate students from a fixed rate of 8.5% to a fixed rate of 4.25%.

**Under this bill the typical undergraduate student borrower, with \$17,500 in debt, would save \$5,600 over the life of his or her loans.**

*These interest rate cuts would become effective on July 1, 2006.*

## Democratic Priority: Boosting College Opportunities



Unfortunately, today not all Americans are afforded equal opportunities towards making a better life, especially when it comes to a college education. Each year millions of hardworking American families and students continue to struggle to cover college costs, even after scholarships, loans and work-study.

We cannot afford to leave any students behind. That is why it is imperative to support initiatives and solutions that boost college opportunities for all Americans.

**The declining buying power of Pell grant scholarships and rising tuition prices are forcing millions of students to take on high debt, work long hours or even forgo college altogether. Once out of college, 23 percent of public four-year college students graduate with too much debt to manageably repay with a starting teacher's salary.**

### Solutions:

- Cutting student interest rates in half to a low fixed interest rate of 3.4 percent, saving the typical borrower \$5,600 over the life of the loan
- Guaranteeing a \$5,100 maximum Pell grant
- Providing \$17,500 in loan forgiveness to highly qualified teachers, nurses and child care providers
- Permitting student borrowers to choose with which lender to consolidate their loans, repealing the anti-consumer Single Lender Rule

**The weakened economy, regressive tax cuts for the super rich, and federal budget cuts have hurt state budgets, driving up tuition prices for students—more than 75 percent of whom attend public institutions.**

### Solutions:

- Renewing states' commitment to affordable tuition by growing state funds for higher education
- Providing incentives to public and private colleges to make tuition more affordable
- Ensuring that colleges curb their costs—and tuition prices—through cost containment strategies
- Putting students and families in control by providing easy to understand information about college costs through accessible public disclosures.

**Millions of minority and first-generation students cannot afford to attend college, while the institutions that traditionally serve these students struggle to expand their infrastructure, student support services and academic programs. Additionally, we face a shortage of minority teachers and an immediate need to encourage more Latinos to pursue advanced degrees.**

Solutions:

- Significantly increasing investment in minority serving institutions
- Establishing a competitive grant program to expand advanced degree opportunities at colleges that serve large portions of Latino students in graduate programs
- Establishing 'Centers of Excellence' to improve teacher quality preparation for minority students
- Increasing student aid and special support services, including year round housing, for foster care youth who are pursuing a higher education.
- Creating 'Predominately Black Institutions' in order to further support the needs of institutions that have a large percentage of African-American students

**Just one-third of all high school graduates have the skills and qualifications necessary to attend college. Every year millions of students are overwhelmed by the complexity of the student aid application process, while many more don't believe that they are eligible to receive college aid.**

Solutions:

- Boosting college participation among veterans, low-income and minority students by nearly doubling the investment in the college outreach programs, TRIO and Gear Up
- Replacing the current 144 question application with a one-page E-Z form, and establishing a procedure to give students early estimates of federal student aid eligibility

**Every year, taxpayers pay billions in wasteful subsidies to banks that make student loans—money that should be spent to make college more affordable for students by boosting college grants.**

Solution:

- Eliminating loopholes that allow banks in the student loan programs to take in billions in excessive taxpayers subsidies every year. The money saved from closing the loopholes will be dedicated towards lowering interest rates on loans and increasing Pell grant scholarships for low and moderate income students.

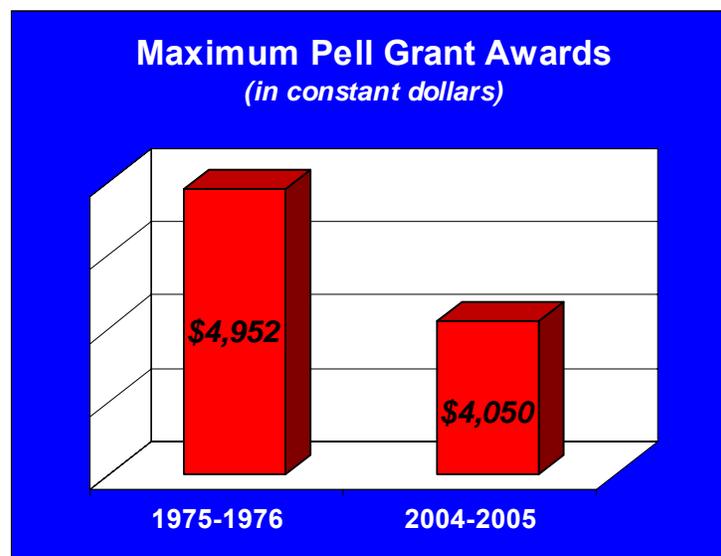
## Key Issues Affecting College Opportunities

### AFFORDABLE COLLEGE EDUCATION

#### ► Declining Buying Power of College Grants

For the 6<sup>th</sup> year in a row, President Bush has broken his promise to provide a \$5,100 maximum Pell grant scholarship. Bush's failure comes just as:

- **The maximum Pell grant scholarship is worth \$900 less (after adjusting for inflation) than it was in 1975-76.**
- **Thirty years ago, federal grants accounted for more than 70 percent of all federal student aid. Today, loans account for 78 percent of all federal student aid, while grants make up just 22 percent.** The result: growing student debt.



Source: The College Board

#### ► Rising College Tuition



College tuitions continue to rise, jeopardizing low and middle-income students' access to a college diploma. A key reason for the rise in tuition is that many states are cutting their investment in their higher education institutions or failing to adequately meet growing demands.

Years of a weak economy, huge tax cuts for the super rich, and federal budget cuts have hurt state budgets, driving up tuition prices for students—more than three-quarters of whom attend public institutions.

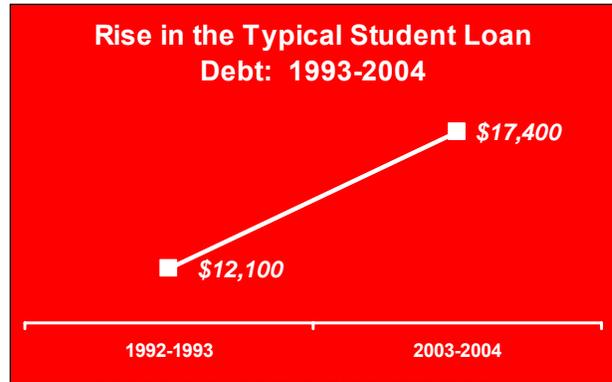
In the past year alone, **tuition has increased an average of 7.1% at 4-year public institutions, 5.4% at 2-year public institutions, and 5.9% at 4-year private institutions.**

Not only has President Bush failed to stop tuition hikes, but he continues to break his 2000 campaign promise of a \$5,100 maximum Pell grant scholarship. His 2007 budget proposes to freeze the maximum Pell grant scholarship at \$4,050 for the 4<sup>th</sup> year in a row.

► **Sky-rocketing Student Loan Debt**

The decline in the purchasing power of federal and state grants, and massive state budget cuts which have triggered tuition hikes continue to strain our ability to ensure access to a college education for all Americans.

As a result, increasing numbers of students and their families are falling further into debt to finance a college education.

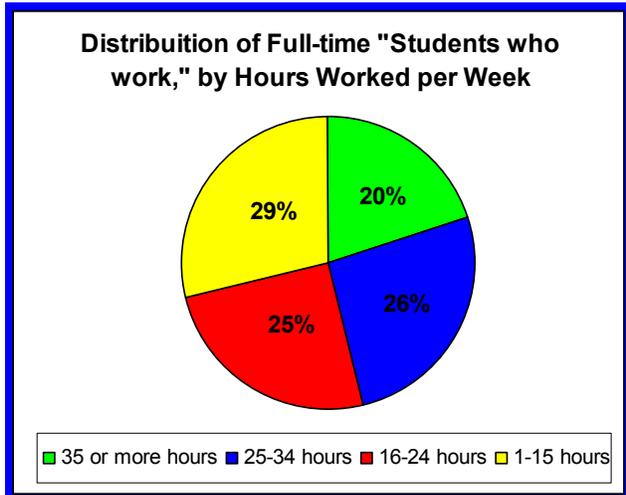


Source: U.S. Department of Education

- The typical student graduates with more than \$17,000 in federal loan debt; almost 45 percent more than just 11 years ago.
  - More students are leaving college in debt.
- In 2004, **two-thirds of all graduates from four-year colleges had loan debt**, compared with less than one-third of graduates in 1993.

► **Long Work Hours**

More and more students are working long hours to help finance their college education.



Source: State PIRGs' Higher Education Project, *At What Cost?*, 2002

- Seventy-five percent of full-time students now work to help cover their college expenses.
- **Almost half of all full-time students who work are working enough hours to hurt their academic performance and the overall quality of their education.**
- **Twenty percent of working students work 35 or more hours a week while enrolled in school full-time.**

## INCREASING HIGH SCHOOL AND COLLEGE ENROLLMENTS

The generation often referred to as the “baby boom echo” generation flooded the nation’s public elementary schools during the 1990s. Soon they will enter American institutions of higher education, resulting in record enrollments that will further strain the ability of colleges and universities to deliver a quality education to their students.

- The graduating high school class of 2008 will reach a record high of 3.2 million, or 26 percent more than the class of 1996.
- **College enrollment is expected to expand by 14 percent, to more than 15 million students, over the next decade.**
- **Of that expected 14 percent increase, 4 out of 5 of these students will be low-income, minority, or the first in their family to attend college. In addition, 20 percent of these students will come from families living below the poverty line.**

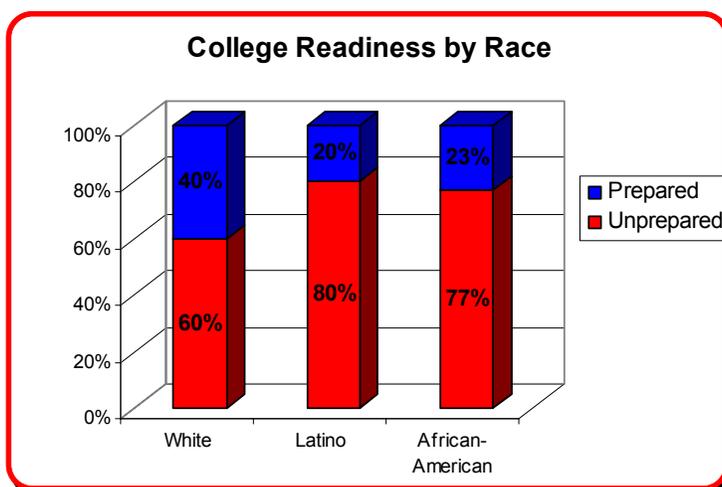
Our current student aid programs will not be able to meet the growing needs of the expanding college population.

Today, the typical low-income student already falls \$3,800 short of college costs even after their family contribution; student loans, grants, and work have been accounted for. The typical middle-income student falls \$2,250 short.

## PREPARING HIGH SCHOOL GRADUATES FOR COLLEGE

Despite some gains in college participation and attainment, wide disparities by race and income persist. The problem is particularly severe for Latino students: Almost half of all Latinos age 25 and older lack a high school degree, compared to 20 percent for the population as a whole.

- Forty percent of white high school graduates were college prepared, only 23 percent of African-Americans and 20 percent of Latinos were prepared to attend college.
- **Sixty-five percent of students from the lowest-income families graduate from high school, compared to 95 percent of students from the most affluent families.**



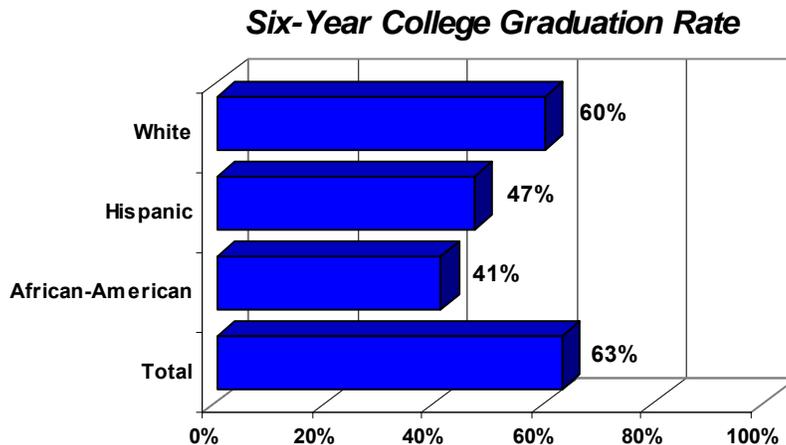
Source: *The Manhattan Institute*

In addition, every year millions of students are overwhelmed by the complexity of the student aid application process, while many more don’t believe that they are eligible to receive college aid.

## COLLEGE GRADUATION RATES

Far too few students who enter our colleges and universities earn degrees. Only 6 out of every 10 students who begin their college careers as full-time freshman at four-year colleges and universities earn a bachelors' degree within 6 years.

Low-income and minority students who begin college as full-time freshman are even less likely to graduate. **Fewer than 5 out of 10 Latino and African-American students graduate college with a bachelors' degree within 6 years.**



*Source: Education Trust*

## HIGHER EDUCATION AS A VEHICLE TO ADDRESS NATIONAL PRIORITIES

America's higher education system has long served as a vehicle to achieve economic prosperity, national security, and an educated citizenry. From the establishment of the Land-Grant Colleges, the G.I. Bill and the National Defense Act of 1958—which launched many of our federal student aid programs—Congress has used increased access to higher education as a tool to move this country forward.

Today, more than ever before, we must tap into the ability of higher education to help meet our national priority needs. We currently **face shortages of highly skilled workers in public service sectors such as teaching and nursing** which threaten the well being of the nation.

- Over the next 10 years the nation will need an additional 2 million highly qualified teachers. This shortage is likely to become greater as students choose higher-paying careers; recent estimates show that **23 percent of public four-year college students graduate with too much debt to manageably repay with a starting teacher's salary.**
- There is a national shortage of 126,000 nurses; and, nursing school graduates have decreased by 29 percent between 1995 and 2001.

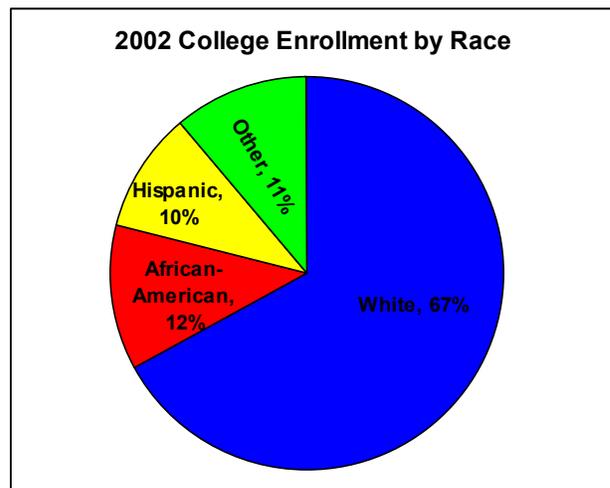
In addition, the landscape of the U.S. workforce has changed dramatically over the past few decades, and **the demand for highly skilled workers with a college degree or advanced training is rising sharply.**

- By 2020, 15 million new jobs that require college educated and highly skilled workers will be created.
- There will be a deficit of 12 million college-educated U.S. workers during the same time period, leading to a flight of jobs overseas to countries that are producing increasing numbers of highly trained professionals.

## DIVERSITY IN OUR SCHOOLS

America has benefited tremendously from its unique diversity, particularly in its public schools and institutions of higher education. Postsecondary diversity benefits a student's academic development, satisfaction with college, commitment to multiculturalism, racial understanding, and increases the retention of minority students.

Despite their critical importance, Historically Black Colleges and Universities, Hispanic Serving Institutions, and other minority serving institutions face a critical lack of resources.



Source: U.S. Department of Education

While **Historically Black Colleges and Universities comprise 4 percent of all 4-year colleges and universities, they confer about 25 percent of all bachelors' degrees earned by African-Americans.** Yet, faculty salaries at Historically Black Colleges and Universities are about 20 percent lower than the national average and per-pupil expenditures at these colleges are roughly 10 percent lower than the national average.

Despite the critical need for increased investment at Historically Black Colleges and Universities, **President Bush's 2007 education budget request is \$18,000 less than their 2006 funding level – almost a 10 percent cut.**

**Today, Latinos account for 1 out of every 3 new workers who enter the workforce and by 2025 they will account for 1 out of every 2 new workers.** As Latinos increase their share of the overall college population and workforce, Hispanic Serving Institutions will be even more important towards training a skilled labor force.

**Hispanic Serving Institutions serve nearly half of all Latino college students. Yet, President Bush does not provide any funding increases for these colleges in his 2007 education budget.**

## Excellence in Higher Education Begins with Excellence in our Elementary and Secondary Schools

In order to achieve full access for all Americans to a college education, we must first make sure that our elementary and secondary schools are on track to allow each and every child to meet their full potential. The reforms of the No Child Left Behind Act (NCLB) have launched an unprecedented effort to reverse decades of neglect of our poorest and neediest school children. NCLB establishes as a national goal that all Americans, regardless of income, have an opportunity to get a high quality public education.

These reforms are designed to: close the achievement gap between the rich and the poor; provide struggling schools with the assistance that they need to improve; enhance teacher quality; target resources to at-risk and disadvantaged youth; and, provide schools with the flexibility that they need to meet their local needs.

Our school principals and teachers have been working hard to implement NCLB. Yet President Bush and Congress have failed to provide adequate funding for NCLB or to ensure its proper implementation. As a result, there is **now a \$55 billion cumulative shortfall in the funding levels promised under NCLB.**

In addition, the Department of Education took 2 years to issue many of the key rules and regulations that schools need to implement the Act's accountability and teacher quality provisions. This has made it more difficult to implement NCLB's requirements, often leading to confusion among our teachers and school officials. All of our States and schools have the right to clear guidance and should be treated fairly and equally when it comes to the implementation of NCLB.

### NCLB Funding FY 2002—2007

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>NCLB Authorized Level<sup>1</sup></b>	<b>\$26.4 billion</b>	<b>\$29.2 billion</b>	<b>\$32 billion</b>	<b>\$34.3 billion</b>	<b>\$36.9 billion</b>	<b>\$39.4 billion</b>
<b>FY 2002-2005 Appropriations and FY 06 Bush Request</b>	<b>\$22.2 billion</b>	<b>\$23.8 billion</b>	<b>\$24.5 billion</b>	<b>\$24.9 billion</b>	<b>\$24.8 billion</b>	<b>\$24.0 billion</b>
<b>NCLB shortfall</b>	<b>-\$4.2 billion</b>	<b>-\$5.4 billion</b>	<b>-\$7.5 billion</b>	<b>-\$9.4 billion</b>	<b>-\$12.1 billion</b>	<b>-\$15.4 billion</b>

<sup>1</sup> Totals assume continuation of programs without authorization levels defined in NCLB at FY 2002 levels.

**President Bush and Congress have failed to live up their promise to leave no child behind by shortchanging education reform in the 2007 budget**, as they have in each year since the law's enactment.

The 2007 Bush budget shortchanges education reform by:

- **Failing to fully fund No Child Left Behind (NCLB) by a total of \$55 billion** since the law was enacted.
- **Denying nearly 2 million children access to after school learning programs.** President Bush breaks his promise to provide full funding of \$2.5 billion in fiscal year 2007 for the 21<sup>st</sup> Century Learning Centers Initiative—which provides safe, healthy places for children to learn after school.
- **Denying critical education services, such as extra help in reading and math, to 3.7 million disadvantaged children.** President Bush provides less than half – only \$12.7 billion - of the \$25 billion that he promised for disadvantaged children in Title I funds under No Child Left Behind (NCLB).
- **Eliminating funding for education technology,** despite the positive learning outcomes associated with the use of technology in the classroom.
- **Freezing bilingual education for the fifth year in a row** at \$669 million, despite the fact that the number of students with limited English proficiency is growing rapidly.
- **Terminating vocational education programs** and drastically cutting funding for adult education. Fortunately, Congress recognized the importance of vocational education when the House passed legislation extending this program for 6 additional years this month.
- **Jeopardizing the successful Head Start program.** President Bush once again proposed an 8 state block grant program that will dismantle Head Start and divert \$45 million from the program.



**We must continue to demand full funding for NCLB and other vital education programs so that all schools can implement the important reforms of NCLB and provide a quality education to all of the nation's children.**

## **Conclusion**

More than ever before, a quality education is integral to the success of Americans and the nation as a whole. As an increasing number of students graduate from high school and pursue postsecondary education and training, we must make the necessary investment to deliver accessible, affordable and excellent education to all Americans.

Failure to invest in education and to enable all children to participate in higher education will undermine America's economic prosperity, national security, and our ability to compete in the ever-expanding global market.